



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

Stanmorephysics.com
BUSINESS STUDIES

MARCH 2025

Stanmorephysics.com

MARKS: 100

TIME: 1½ hours

This question paper consists of 9 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers TWO main topics.

SECTION A: COMPULSORY
 SECTION B: Consists of THREE questions
 Answer any TWO of the three questions in this section.
 SECTION C: Consists of TWO questions
 Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.

Note that ONLY the answers to the first TWO questions selected in SECTION B and the answer to the FIRST question selected in SECTION C will be marked.

3. Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	1	20	15
B: THREE direct/indirect-type questions CHOICE: Answer any TWO.	2	20	45
	3	20	
	4	20	
C: TWO essay-type questions CHOICE: Answer any ONE.	5	40	30
	6	40	30
TOTAL		100	90

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write the letter (A-D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 Social values and demographics is a challenge emanating in the ... environment.

- A micro
- B macro
- C market
- D operational

1.1.2 The practice of showing favouritism towards one's family or friends in economic or employment terms is ...

- A nepotism
- B money laundering
- C fraud
- D corruption

1.1.3 Freedom Bank operates in the ... sector as they specialise in offering banking services.

- A primary
- B economic
- C secondary
- D tertiary

1.1.4 Top Tip workers participated in a ... when they collectively refused to work

- A lockout
- B picketing
- C strike
- D go slow

1.1.5 A franchisor is ...

- A A person or business who buys the right to produce the goods or services of another person.
- B A legal contract between two franchisees.
- C A person who sells the right to produce their goods or services to another person or business.
- D A start-up business.

(5X2)

(10)

1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question numbers (1.2.1–1.2.5) in the ANSWER BOOK.

Rent income; no; limited; non-profit companies; demographics; unlimited; cooperatives; royalties; psychographics; full

- 1.2.1 The ... of a country represents the characteristics of a population such as age, gender, race, and so on.
- 1.2.2 The aim of this form of ownership is to render service not to make a profit.
- 1.2.3 Kanda Logistics has ... control over the economic environment.
- 1.2.4 Members of Cisco Ltd have ... liability for the debts of the business.
- 1.2.5 Payments made to the franchisor based on the turnover of the business is ... (5X2) (10)



TOTAL SECTION A: 20

SECTION B

Answer any TWO questions from this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a new page, QUESTION 3 on a new page.

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Name any FOUR components of micro-environment. (4)
- 2.2 Discuss the functions of trade unions. (4)
- 2.3 Read the scenario below and answer the questions that follow.

ULNA TRADERS (UT)

The management at Ulna Traders is desperately trying to control its environment and the behaviour of other businesses by forming power relationships. They gained valuable advice from powerful influential people after inviting them to be part of their board of directors.

- 2.3.1 Identify a way in which UT had formed a power relationship. (2)
- 2.3.2 Describe other ways in which businesses can form power relationships. (6)
- 2.4 Suggest ways in which businesses can overcome competition in the market. (4)

[20]

QUESTION 3: BUSINESS VENTURES

- 3.1 Name any FOUR information aspects that must be contained in the notice of incorporation. (4)
- 3.2 Elaborate on the meaning of *secondary offering*. (4)
- 3.3 Read the scenario below and answer the questions that follow.

KAYLO GLASS LTD (KGL)

Kaylo Glass Ltd specialises in the manufacturing of glass. KGL issued a document inviting the public to buy shares.

- 3.3.1 State the document that is issued by KGL in the scenario above. (2)
- 3.3.2 Explain the aspects that must be included in the document stated in QUESTION 3.3.1. (6)
- 3.4 Advise businesses on the impact of franchising as an avenue of acquiring a business. (4)

[20]

QUESTION 4: MISCELLANEOUS

BUSINESS ENVIRONMENTS

- 4.1 Give any TWO examples of contemporary socio-economic issues that pose a challenge to businesses. (2)
- 4.2 Identify the solutions to piracy implemented by Hamed Drones in the following statements:
- 4.2.1 Hamed Drones was worried that other businesses would copy their design, so they registered their new invention. (2)
- 4.2.2 Hamed Drones also used a very special symbol of a glowing sun to enable customers to identify their drones. (2)
- 4.3 Explain the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (4)

BUSINESS VENTURES

- 4.4 Discuss the advantages of outsourcing as an avenue for acquiring a business. (6)
- 4.5 Advise entrepreneurs on *legal status and liability* as a benefit of establishing a company over other forms of ownership. (4)

[20]

TOTAL SECTION B: 40



SECTION C

Answer ANY ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (ADAPTING TO CHALLENGES OF THE BUSINESS ENVIRONMENT)

Businesses use networking and lobbying to meet their specific needs and activities. Successful businesses have the ability to adapt to the many challenges that their businesses face. Businesses should undertake measures that can benefit their community and have a direct influence on the environment.

Write an essay on adapting to challenges of the business environment in which you include the following aspects:

- Outline the advantages of networking.
- Explain the reasons why businesses lobby.
- Discuss the following ways in which businesses can adapt to challenges:
 - o Information management
 - o Strategic responses
- Recommend ways in which business can have a direct influence on the environment. **[40]**

QUESTION 6: BUSINESS VENTURES (AVENUES OF ACQUIRING A BUSINESS)

Leasing is another opportunity available for entrepreneurs to consider as an avenue to acquire business which has its own advantages. Prospective business owners should also be aware of the contractual implications of each business avenue. Some entrepreneurs prefer to purchase an existing business where they also sign contracts depending on the type of business avenue they prefer buying.

Write an essay on avenues of acquiring a business in which you include the following aspects:

- Outline the meaning of *leasing*.
- Discuss the advantages of leasing as an avenue for acquiring business.
- Explain the contractual implications of franchising.
- Advise entrepreneurs on the reasons why they may decide to purchase an

existing business.



[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150





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PROVINCIAL ASSESSMENT

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BUSINESS STUDIES

Stanmorephysics.com MARCH 2025

MARKING GUIDELINES

MARKS: 100

This question paper consists of 21 pages

NOTES TO MARKERS

PREAMBLE

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Moderator/DH:	Green

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used

NOTE: There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub max' is used to facilitate the allocation of marks within a question or sub question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'√

11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

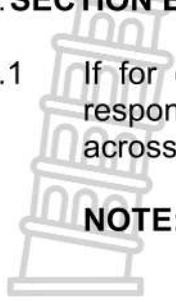
12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the ticks for each statement/answer appears at the end.

12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer

14. SECTION B

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion.



- NOTE:**
1. This applies only to questions where the number of facts is specified.
 2. The above also applies to responses in SECTION C, (where applicable)

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

14.4.1 If the numbers of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15 SECTION C

15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/sub headings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis	2
Originality	Is there evidence of examples based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		
TOTAL MARKS FOR ESSAY (8 + 32):		32
		40

- NOTE:**
- No marks will be awarded for contents repeated from the introduction and conclusion.**
 - The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
 - No marks will be awarded for layout, if the INTRODUCTION and CONCLUSION are not supported by an explanation.**

- 15.2 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.4 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality 'O'.
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 15.7 When awarding marks for facts, take note of the sub maxima indicated, especially if candidates do not make use of the same sub--headings. Remember, headings and sub headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/sub max as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.√'
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as max in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A

QUESTION 1

- 1.1.1 B ✓✓
- 1.1.2 A ✓✓
- 1.1.3 D ✓✓
- 1.1.4 C ✓✓
- 1.1.5 C ✓✓

- 1.2.1 demographics ✓✓
- 1.2.2 non-profit companies ✓✓
- 1.2.3 no ✓✓
- 1.2.4 limited ✓✓
- 1.2.5 royalties ✓✓

(5X2) (10)

(5X2) (10)

TOTAL SECTION A: 20

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
TOTAL	20

SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Components of micro environment**

- Vision, mission statement, goals and objectives ✓
- Management structure ✓
- Organisational resources ✓
- Organisational culture ✓
- Management and leadership ✓
- Eight business functions ✓
- Any other relevant component of micro environment.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Functions of trade unions

- Improves conditions of employment. ✓
- Ensures that all employees are treated equally ✓ in the workplace ✓
- Representing the interest of general society and minority groups ✓ through media and negotiations. ✓
- Influencing government decisions. ✓
- Representing employees collectively and individually. ✓
- Improving material benefits ✓ of their members. ✓
- Establishing minimum economic and legal conditions ✓ / influencing economic policy and law. ✓
- Playing a role as moral institutions that will uplift the weak and oppressed ✓ and give them the dignity and justice they deserve. ✓
- Protecting workers from unfair labour practices ✓ and unfair dismissal. ✓
- Take legal action on behalf of members ✓ when necessary. ✓
- Any other relevant answer related to the functions of trade unions.

Max (4)

2.3 Ways businesses can form power relationships**2.3.1 Way business formed power relationship from the scenario**

- Persuasion of large investors ✓✓

(2)**2.3.2 Other ways businesses can form power relationships****Strategic alliance/Partnership agreements ✓✓**

- Businesses form partnership agreements in order to benefit from each other's involvement. ✓
- These partnership alliances help parties involved to benefit in infrastructure development ✓ and scarce skills. ✓
- These alliances are designed to build on the expertise of each partner ✓ and on the way in which they complement each other. ✓
- Any other relevant answer related to strategic alliance/partnership agreements as a way businesses can form power relationships.

Way (2)

Description (1)

Sub-max. (3)

Company representatives' influence ✓✓

- This representative fulfils an important function in trying to persuade investors to invest in a particular business practice. ✓
- People will make decisions based on the company's image, ✓ personality, communication style and power of persuasion. ✓
- Businesses must invest time and energy in recruiting the right person for this job. ✓
- Any other relevant answer related to company representatives' influence as a way businesses can form power relationships.

Way (2)

Description (1)

Sub-max. (3)

NOTE: 1. Do not award marks for 'persuasion of large investors'.**Max. (6)**

2.4 **Ways in which businesses can overcome competition in the market.**

- Management must ensure that the business differentiates itself from the competitors by tapping into what the customer wants. ✓✓
- Offering more personal services by being responsive to the customer's needs/ expectations. ✓✓
- Offering low-cost extras such as improved credit terms/discounts/loyalty schemes etc. ✓✓
- Charging the lower prices than that of the other businesses. ✓✓
- Selling products of a superior quality/new products/services that the customers might be interested in. ✓✓
- By being the best employer that has well trained/knowledgeable staff members that create a better working atmosphere. ✓✓
- Stepping up the marketing of the business by using promotional ideas such as posters or campaigns on social media. ✓✓
- Updating the image of the business such as painting the front of the premises/ making the business looking modern/ inviting. ✓✓
- Keeping up with developments in the sector of the business sector, following consumer trends/investing in new technology. ✓✓
- Improving on customer services and keeping them happy. ✓✓
- Any other relevant answer related to the ways in which businesses can overcome competition in the market.

Max (4)

[20]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	2
2.3.2	6
2.4	4
TOTAL	20

QUESTION 3: BUSINESS VENTURES**3.1 Aspects/Information contained in the Notice of incorporation**

- Type of company✓
- Financial year-end✓
- Numbers of directors✓
- Incorporation date✓
- Registered address✓
- Company name✓
- Any other relevant answer related to the aspects/information to be contained in the notice of incorporation

NOTE: Mark the first FOUR (4) only.**(4x1) (4)****3.2 Meaning of secondary offering**

- A secondary offering is an offering of securities by a shareholder of the company✓ as opposed to the company itself, ✓ which is a primary offering. ✓
- A secondary offering is the sale of new or closely held shares by a company✓ that has already made an initial public offering (IPO). ✓
- Any other relevant answer related to the meaning of secondary offering.

Max (4)**3.3 Document in the scenario****3.3.1 Document in the scenario**

- Prospectus✓✓

(2)**3.3.2 Aspects that must be included in the Prospectus**

- Company overview, including the vision, ✓mission and goals of a business✓
- Product or service portfolio✓
- Market analysis✓and strategy✓
- Management team✓
- The risk and potential✓of the business✓
- Available financial✓and share information✓
- Company's assets✓and liabilities✓
- Financial position✓
- Profits and losses✓
- Cash flow✓
- Prospects for growth✓
- Pre-incorporation contracts✓that have been signed✓
- Date of registration✓of the prospectus✓
- The minimum subscription✓
- Any other relevant answer related to the aspects that must be included in the prospectus.

Max (6)

3.4

Impact of franchising**Advantages of franchising**

- It allows businesses to buy a well-known brand which guarantees sales and good return. ✓✓
- Purchasing a franchise is cheaper than starting a new business. ✓✓
- Franchising reduces long-term financial risk. ✓✓
- A business is based on a proven idea and the product and service are tried and tested. ✓✓
- A franchisee can get support from the franchisor, which often includes training, advice, and marketing. ✓✓
- Forms of financing that are not available to the public are often available to franchisees. ✓✓
- Purchasing a franchise could be cheaper than starting your own business. ✓✓
- Businesses are able to use a recognised brand name and registered trademark, which helps with advertising and marketing. ✓✓
- The systems/operations/goods and services are well established. ✓✓
- There is often access to group support from other franchisees and a network of communication and legal advice. ✓✓
- Established suppliers give bulk discounts as they form part of a larger group. ✓✓
- The marketing and advertising costs are shared so they are often lower than for a non-franchised business. ✓✓
- Management advice is often provided, so it is not necessary to be a business expert. ✓✓
- Any other relevant answer related to the advantages of franchising,

AND/OR**Disadvantages of franchising**

- Acquiring a franchise can be an expensive initial layout ✓✓
- There are often restrictions in the agreement and terms of how the business should be operated ✓✓.
- Many creative entrepreneurs feel limited as to how much they can grow/expand their ideas ✓✓.
- One poorly performing outlet may risk the reputation of the entire franchise. ✓✓
- A large portion of profits is paid in royalties, and often the franchisors do not deliver on their promises. ✓✓
- It is often difficult to sell a franchise/terminate a contract. ✓✓
- The start-up cost may be a challenge without assistance from the franchisor ✓✓
- Any other relevant answer related to the disadvantages of franchising

**Max (4)
[20]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	6
3.4	4
TOTAL	20

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS



4.1 Examples of contemporary socio-economic issues that pose a challenge to businesses.

- low income levels✓
- inflation✓
- social, cultural and demographic issues✓
- economic crime✓
- ethical misconduct✓
- population growth✓
- illiteracy✓
- lack of skills✓
- unavailability of natural resources✓
- inefficiency in the use of resources
- exhaustion of natural resources✓
- dumping✓
- strikes. ✓
- Any other relevant answer related to the examples of socio-economic issues.

NOTE: Mark the first TWO (2) only.

(2x1) (2)

4.2 Solutions to piracy from the statements.

4.2.1 Patent✓✓

(2)

4.2.2 Trademark✓✓

(2)

Max. (4)

4.3 Purpose of Labour Relations Act

- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations ✓ and employee participation in decision making in the workplace. ✓
- Promotes resolution of labour disputes. ✓
- Promotes fair employment practices. ✓
- Outlines the relationship between employees ✓ and employers. ✓
- Provides simple procedures for the registration of trade unions ✓ and employers' organizations. ✓
- Regulates the rights of trade unions ✓ and facilitates collective bargaining. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Establishes workplace forums to promote the interest of all employees ✓ in the workplace whether they belong to the trade union or not. ✓
- Allows workplace forums ✓ where employees may participate in decision making. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) ✓ to resolve labour disputes through statutory conciliation, mediation and arbitration. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer of contracts of employment procedures. ✓
- Establishes Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Any other relevant answer related to the purpose of Labour Relations Act.

Max. (4)

BUSINESS VENTURES

4.4 Advantages of outsourcing

- Outsourcing allows the business to focus on important business activities ✓ rather support activities. ✓
- A business has access to resources ✓ and equipment for a specific function. ✓
- The production team is often shortened and quality is often improved ✓ because specialists are performing the function for the business. ✓
- A company is able to reduce costs ✓ as outsourcing can lead to a decrease in staff, remuneration, control and operating costs. ✓
- The business can focus on its vision /goals ✓ and to apply its staff more effectively in its core business. ✓
- Improved access to skilled people ✓ as the outsourced work will be done by highly skilled people without the company having to employ them. ✓
- Fixed cost and overhead costs are lower for the business. ✓
- Outsourcing will provide continuity ✓ during periods of high staff turnover. ✓
- Any other relevant answer related to the advantages of outsourcing.

Max (6)

4.5 **Legal status and liability as a benefit of establishing a company over other forms of ownership**

- A company has its own legal status, trading name and owns its assets ✓✓.
- Shareholders' private assets are protected as they have limited liability. ✓✓
- The shareholders have no direct legal responsibility. ✓✓
- Companies have their own names and these are protected. ✓✓
- Any other relevant answer related to legal status and liability as a benefit of establishing a company over other forms of ownership.

**Max (4)
[20]**



BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2.1	2
4.2.2	2
4.3	4
4.4	6
4.5	4
TOTAL	20

TOTAL SECTION B: 40

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (ADAPTING TO CHALLENGES OF THE BUSINESS ENVIRONMENT)

5.1 **Introduction**

- Networking refers to a coordinated activity where people who have similar objectives meet and exchange information and ideas. ✓
- In business context networking also assists in acquiring new business leads as a major advantage. ✓
- Lobbying is an organised process where individuals, businesses, and organisations use their influence to change government policy. ✓
- Businesses are faced with various challenges emanating from both the internal and external environments. ✓
- The success of a business depends on the ability to adapt to these challenges. ✓
- Any other relevant introduction related to the advantages networking/reasons why businesses lobby/ways in which it can adapt to challenges of information management and strategic responses/ ways in which business can have a direct influence on the environment.

Any (2 x 1) (2)

5.2 **Advantages of networking**

- Businesses can attract new customers resulting in increased market share and profitability. ✓✓
- Networking can be an excellent source of new perspectives and business ideas. ✓✓
- Allows managers to build new businesses relationships and generate new business opportunities. ✓✓
- Plays a role in the marketing and expansion of a business. ✓✓
- Assists businesses in making future business decisions. ✓✓
- Businesses can gain support when representation to various authorities is planned. ✓✓
- Any other relevant answer relating to the advantages of networking.

Max (10)

5.3 **Reasons why businesses lobby**

- Businesses lobby their regulator or supervisory body ✓ in order to try influence prices, policies, regulations ✓ and other decisions made by the regulator or the supervisory body ✓
- Businesses or people lobby or change laws like ✓, child labour laws, clean air ✓ and water laws, municipal regulations, etc. ✓
- Their views are important and heard, ✓ thus making a difference and giving solutions to business challenges. ✓
- Lobbying advances business men's cause ✓ and builds public trust ✓.
- Any other relevant answer relating to the reasons why businesses lobby.

Max (10)

5.4 Ways in which businesses can adapt to challenges

5.4.1 Information management

- Information must be found/recorded/stored/easily, ✓ retrieved and effectively used. ✓
- Businesses need to implement an effective information management system ✓ which is accessible and useful to all staff ✓.
- They should invest large capital into information technology (IT) system ✓ to update business operations ✓.
- Modern IT solutions enable businesses to satisfy customer needs faster ✓ and better. ✓
- Business may benefit from an increase in market share ✓ and profitability. ✓
- Any other relevant answer relating to information management.

Sub max (8)

5.4.2 Strategic responses

- Management needs to design strategic responses to various challenges ✓ by analysing all information, identifying stakeholders' involved. ✓
- Get a clear picture of each stakeholder's viewpoints ✓ and requirements ✓.
- Businesses need to be aware of new competitors in the market ✓ and they must be able to strategically respond to threats. ✓
- They must make strategic plans to remain sustainable ✓ in a competitive market. ✓
- Correct strategic responses assist businesses to identify ✓ the most important features of their products. ✓
- Any other relevant answer relating to strategic responses.

Sub max (8)

Max (16)

5.5 Ways in which business can have a direct influence on the environment.

- Businesses need to be flexible by getting involved in research/development so that they can continue to operate. ✓✓
- Influence its suppliers by signing long term contracts. ✓✓
- Create new uses for a product by finding new customers. ✓✓
- Influence regulators through lobbying and bargaining. ✓✓
- Initiate bargaining sessions between management and unions. ✓✓
- Influence its owners using information contained in annual reports. ✓✓
- Negotiate strategic alliance agreement through contractual processes. ✓✓
- Any other relevant answer relating to ways in which business can have a direct influence on the environment

Max (10)

5.6

Conclusion.

- Businesses can influence regulators through lobbying and bargaining and can influence their owners using information contained in annual reports. ✓✓
- Businesses need to put necessary measures in place that could assist in minimising the effects of these challenges. ✓✓
- Businesses need to investigate alternative environmental friendly production techniques and create environmental awareness. ✓✓
- Any other relevant conclusion related to the advantages networking/reasons why businesses lobby/ways in which it can adapt to challenges of information management and strategic responses/ ways in which business can have a direct influence on the environment.

Any (1 X 2) (2)**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Advantages of networking.	10	
Reasons why businesses lobby	10	
Ways in which businesses can adapt to challenges: o Information management o Strategic responses	16	
Ways in which business can have a direct influence on the environment.	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS VENTURES (AVENUES OF ACQUIRING A BUSINESS)**6.1 Introduction**

- Business opportunity is a chance for a person to start a business so that they can generate an income. ✓
- Entrepreneurs are people who constantly look at new business opportunities and take risks when starting new businesses which may also include leasing. ✓
- Entrepreneurs who establish their own businesses sometimes fail to sustain these businesses, sometimes due to contractual implications within agreements. ✓
- Some entrepreneurs may opt for an existing business due to established customer base, known market and other related factors ✓
- Any other relevant introduction related to the meaning of leasing, advantages of leasing, contractual implications of franchising/reasons why they may decide to purchase an existing business .

Any (2 x 1) (2)**6.2 Meaning of Leasing**

- Leasing is the method whereby a business pays for the use of an asset e.g. equipment, land, material etc. ✓✓
- The person who owns the asset is known as the lessor ✓✓
- The lessee is the person who uses the asset. ✓✓
- The lessor will make the asset available to the lessee, who lease the asset in return for an agreed amount called leasing charges. ✓✓
- The leasing fee usually includes a maintenance fee and insurance fee. ✓✓
- The lessor has to repair /replace the asset if needed ✓✓.
- This is a method that gives businesses the option of obtaining the use of an asset for a certain period, instead of buying the asset ✓✓
- Any other relevant answer related to the meaning of leasing.

Max (10)**6.3 Advantages of leasing as an avenue for acquiring business**

- Leasing improves the cash flow of the business. ✓
- Leasing is regarded as an expense for the lessee ✓ and is therefore not regarded as debt. ✓
- The lessor receives ✓ a continual rental income. ✓
- The lessor can get quantity discount by buying goods in bulk to supply ✓ various lessees. ✓
- The asset can be returned to the lessor ✓ when it is no longer needed. ✓
- Makes budgeting and planning easier ✓ and it provides better control over cash flow. ✓
- Retains ownership of the asset ✓, which can be sold to recover money at the end of the lease. ✓

- There is no large financial outlay ✓ as the cost is spread over a number of
- months/years. ✓
- The lessor normally covers the maintenance ✓ / replaces any damaged parts or
- equipment. ✓
- There are tax advantages ✓ as rental payment are calculated as operating costs
- and therefore tax deductible. ✓
- It is easy to lease a better/ newer version of the product ✓ without the capital
- outlay. ✓
- Any other relevant answer related to the advantages of leasing as an avenue for
- acquiring a business.

Max (14)**6.4 Contractual implications of franchising**

- The franchisor and franchisee must sign a franchise agreement ✓ which is legally
- binding on both parties ✓. The agreement must cover the following aspects:
- Confidentiality clause. ✓
- Tax requirements. ✓
- Disclosure documents. ✓
- Settlement of disputes. ✓
- How to sell or transfer ✓ the franchise. ✓
- Total investment. ✓
- How to deal with trademarks ✓, patents and logos. ✓
- Advertising policies. ✓
- The initial duration of the franchise ✓ and any renewal rights. ✓
- The policies that govern the product or service. ✓
- Royalties ✓ and service fees payable. ✓
- Termination clause ✓ and its consequences. ✓
- Training and operational support ✓ provided by the franchiser. ✓
- The obligations of the franchiser ✓ and franchisee. ✓
- The nature and extent of the rights ✓ granted to the franchisee. ✓
- The form of ownership ✓ that the franchise will operate under. ✓
- Any other relevant answer related to the contractual implications of franchising.

Max (12)**6.5 Reasons why entrepreneurs may decide to purchase an existing business.**

- Easier to raise finance if the business has a good history/image. ✓✓
- Immediate cash flow as there are already established customers. ✓✓
- Market research has already been done and there is an established
- customer base. ✓✓
- Distribution/Supply links/Staff/Network is/are already established. ✓✓
- A market for business products or services has already been established. ✓✓
- Existing employees and managers may have experience they can
- share. ✓✓
- Many business problems have already been solved. ✓✓

- Any other relevant answer related to the reasons why entrepreneurs may decide to purchase an existing business.

Max (10)**6.6 Conclusion**

- Entrepreneurship is the activity of setting up a business or businesses, taking on financial risks in the hope of making a profit. ✓✓
- An entrepreneur that has enough investment capital available could consider buying a business using any option suitable for them. ✓✓
- Any other relevant conclusion related to the meaning of leasing/advantages of leasing/contractual implications of franchising/reasons why they may decide to purchase an existing business.

Any (1 X 2) (2)**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of Leasing	10	
Advantages of leasing as an avenue for acquiring business.	14	
Contractual implications of franchising.	12	
Reasons why entrepreneurs may decide to purchase an existing business.	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40**GRAND TOTAL: 100**